1. Introduction

In July 2000 the Commission produced a briefing summarising key findings from our work in London. Over the next 12 months we aim to build on this briefing, bringing together our work and knowledge to support practitioners in London public services in a number of key areas. Our goal is to produce a series of briefings and discuss these at a programme of seminars, starting with a conference in February 2002. These briefings will highlight performance of public services in London, identify sources of good practice, and raise issues that should be considered in the future. The main source of this analysis is work undertaken by Commission inspectors, auditors and researchers.

The first of these briefings is on sustainable communities drawing together learning on environment, housing, regeneration, and transport. It is a major theme because:

- local authorities have a statutory duty to promote or improve the social, economic and environmental well-being of their area and develop community strategies;
• sustainable development is one of the key themes in the GLA Act that the Mayor has to consider in his eight statutory strategies;
• working across these areas is essential to deliver service improvement; and
• local authorities are increasingly undertaking best value reviews that cut across all these topic areas [CASE STUDY 1].

Issues for consideration

Are the Mayor’s plans for affordable housing sufficient to improve the supply of ‘key’ workers for London’s public services and to provide accommodation for those on low incomes and with special needs?

How can the gap between the most prosperous and excluded areas be narrowed?

Will transport services improve quickly enough to contribute significantly to sustainability and Londoners’ quality of life?

What action can be taken to meet waste management and recycling targets?

How can the Mayor and the GLA work with London’s transport, police, fire and redevelopment agencies and the London Boroughs to implement many of the initiatives that will improve Londoners’ quality of life?

How effectively are community strategies and local strategic partnerships (LSPs) responding to these issues?

How can best value be better applied to drive improvement?

**How can the Audit Commission contribute?**

The Commission is well placed to promote further improvements in this area through its cross-cutting work on the topic of sustainable communities.

The Commission has been working on Quality of Life indicators with over 100 pilot authorities that could be used to monitor the success of local authorities community strategies. The indicators cover a range of issues such as unemployment and deprivation, infant mortality, access to services and air and river quality. The GLA has been contributing to the pilot.

Significant inspection activity will cover these themes in the next year. The Commission will also be publishing reports that relate to this subject, based on its inspection, audit and research work.

The Commission will be inspecting The London Development Agency and Transport for London’s best value work as it develops. Inspections will focus on the quality and cost effectiveness of services and on the likelihood that they will improve.

The Commission will be publishing the findings of research into neighbourhood renewal.

CASE STUDY 1

**Cross-cutting ‘thinking’**

The London Borough of Bexley is working with Respond (Thamesmead) Limited. Respond is a registered charity that runs as a business recycling furniture and white goods, predominantly in south-east London. Respond provided 13,784 items of furniture in 1999, and 60 per cent of referrals come from social services and health and welfare agencies. During 1999, it is estimated that 1,000 tonnes of recycled goods were diverted from landfill and regenerated to provide direct support to the community. The organisation provides work placements and employs 32 full-time staff. The organisation can ‘renovate’ housing and provide furniture and white goods in six days, which has helped local authorities considerably in the task of housing asylum seekers.

*Source: Audit Commission research*
2. Housing and homelessness

Audit Commission portfolio of work

The Commission has set council performance indicators covering housing and homelessness since 1993/94. Its national research studies cover councils and – jointly with the Housing Corporation – housing associations. The Commission’s housing inspectorate has been inspecting services in London for the last 18 months.

The national picture

The social housing stock has reduced by over 1 million dwellings since 1981.

Lord Rogers’ Urban Task Force has recommended more brownfield and inner city developments.

There are major variations in the provision of sheltered accommodation across the country.

Adaptations to housing to make it suitable for people with special needs can take a considerable time – in some authorities, there can be close to a two-year wait for a routine adaptation.

London issues

The shortage of social housing and affordable private sector housing is a significant problem in London. It contributes to public sector staff recruitment and retention problems, causes accommodation difficulties for low-paid workers and affects the performance of a wide range of public services, particularly social services and community care. The recent Government Green Paper Quality and Choice: A Decent Home for All acknowledged these problems.

Homelessness is a more significant problem in London than elsewhere and the use of bed and breakfast accommodation for homeless people is proportionately greater.

Much of the social housing in London is unsuitable for people with special needs.

The Mayor established a Housing Commission in July 2001 to assess the need for affordable housing. It suggested targets for delivery for the Mayor’s spatial development strategy (the London Plan). The Housing Commission produced its final report Homes for a New City in November 2001.

The Mayor has published initial proposals on the priorities for housing in a consultation document on the London Plan. These are: the need to increase the overall supply of housing; maximising the provision of affordable housing; protecting and improving London’s housing quality; and creating balanced and mixed communities.

In March 2001 the Mayor launched his rough sleepers strategy From street to stability.

London councils’ performance in re-letting empty homes has improved between 1998/99 and 2000/01 (average 6.9 weeks compared to an average of 7.7 weeks in 1998/99). This is in contrast to other types of authorities where performance has deteriorated (national average 6.3 weeks in 2000/01 compared to 5.6 weeks in 1998/99) (EXHIBIT 1, overleaf). This is in the context of a more demanding indicator in 2000/01.

The management costs of social housing are high in London – the reasons for this require closer analysis.

The level of serious rent arrears among London tenants is high (11.7 per cent in 2000/01) compared with the rest of the country (national average in 2000/01 was 4.7 per cent).

Temporary housing is used as an interim response to homelessness more often and for far longer periods in London than elsewhere.

In 1999/2000 London councils, on average, took 68 days to assess homeless people’s eligibility for accommodation – the national average was 27 days – (TABLE 1, overleaf). The 2000/2001 performance indicator that considers the percentage of homeless people’s eligibility for accommodation assessed within 33 days is lower in London than the national average (63 per cent compared to 84 per cent). These figures are in the context of much higher levels of other parts of homelessness in London compared to the country.
Learning from inspections

The Commission has published over 100 Housing Inspection reports on housing related topics, 16 of which have been in London.

Topics include housing with care, housing maintenance and repairs, and homelessness.

Only four services inspected in London were considered unlikely to improve and only one service inspected in London has been awarded no stars – although this was considered as being likely to improve.

The Commission has been working on two reports based on lessons from the Commission’s inspection programme.

An initial report from the first study was published in October 2001. It examines the administration of housing benefit by local authorities. It assessed the performance of a wide range of authorities (including some in London) under the Best Value framework. London has both some of the best and some of the worst performers [EXHIBIT 2].

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**EXHIBIT 1**

Performance in re-letting empty homes (average number of weeks)

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<tr>
<td>London boroughs</td>
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*Source: Audit Commission research*
Both good [CASE STUDIES 2 and 3] and poor practice has been identified. In 2000/01, the Ombudsman received over 4,000 complaints about housing benefit administration – 21 per cent of all such complaints; this figure had continued to rise dramatically over previous years, particularly in London.

The findings highlighted in the report include:

- long delays in paying housing benefit (some authorities take an average of more than 100 days to process new claims) and failures of ‘customer care’ are causing hardship, anxiety and even the threat of eviction for claimants;
- administration is tarnished by error, waste and fraud that is estimated to cost the taxpayer hundreds of millions of pounds each year; and
- as a result, early best value inspections have resulted in more ‘fair’ than ‘good’ judgements.

CASE STUDY 2

Haringey

Analysing and acting on existing weaknesses and underlying problems may be the first step to improving quality. In 1999, the London Borough of Haringey mapped out how claims passed through the office and systematically examined where delays were occurring. It identified action points throughout the office, from the post room to the payment systems. As a result it has moved away from a position where delays and backlogs had been endemic.

The borough has also found it useful to implement functional working, dividing the service into specialist teams, on the basis that it is difficult for everyone to be expert in the entire subject. Each team knows the standards to which they and their colleagues are expected to work.

Source: Audit Commission research
The second study in this series focuses on the repairs and maintenance service delivered by local authorities to their tenants and leaseholders. This is a critical housing service that consumes considerable resources.

It is based on 34 inspections of repairs and maintenance services (9 of these were in London). Less than 1 in 6 was rated as good (2 in London), but all London authorities were likely to, or would improve. Overall, services are highly variable:

- authorities are not adopting a sufficiently strategic approach to repairs and maintenance;
- resources are not always spent on the most appropriate stock;
- planned maintenance programmes are not completed on time, and often underspend;
- there is little control of responsive repair work;
- tenants and leaseholders are not involved as fully as they could be;
- performance management in poor; and
- value for money is not obtained when letting maintenance contracts.

Key messages for London are:

- Although London received an average 48 per cent increase in capital funding in 2001/02, its share of English capital allocation has reduced from 34 per cent to 29 per cent;
- boroughs face problems of a backlog of repairs on system-build (1960s and 1970s) stock;
- consideration of a wide range of options for improving the condition of stock will be required (for example, Private Finance Initiative, Arms-length Management Organisations, stock transfer to a Housing Association); and
- London boroughs have high levels of leaseholders. Accountability to and communication with this group needs to be improved.

Audit commission’s contribution

In November 2001 the Commission published jointly with the Housing Corporation the study Group Dynamics that examines the costs and benefits of group structures in the housing association sector. The report also sets out good practice guidance for those organisations seeking to establish group structures.

In August 2001 the Commission published its framework for assessing excellence in housing management.

- This followed the Government's decision to encourage local authorities in England to set up ‘arm’s length’ management arrangements with the aim of delivering better housing services to council tenants and others. To encourage the creation of arm’s length management organisations (ALMOs), the Government decided that local authorities pursuing this option could secure additional capital funding if the new body had received an ‘excellent’ rating from the Commission’s Housing Inspectorate.

CASE STUDY 3

Bromley

The London Borough of Bromley considers that establishing the right relationship with the contractor is the key to a successful contract. Client manager’s knows how the contract is operating through regular performance information and by monitoring the effect on subsidy, and will call the contract manager to account well before problems become ingrained.

But instead of imposing a prescriptive regime of penalties over each error or delay, the authority takes a more constructive approach, providing incentives for the contractor to operate and develop the service – for example, by building in a bonus for overpayments recovered above a certain target. It is therefore in the interests of the contractor to control the service well and avoid error. The contractor is aware, however, that prolonged failure to perform would result in the council taking over the running of the service – and charging the contractor to do it.

Source: Audit Commission research
To achieve such a rating an organisation would need to provide a three-star housing management service and be judged as delivering a service that has either excellent or promising prospects for improvement.

Five London boroughs (Brent, Hounslow, Kensington and Chelsea, Waltham Forest and Westminster) are seeking to create ALMOs under this initiative to attract additional capital funding from Government for 2002/03.

3. Transport

Audit Commission portfolio of work

The Commission has worked with passenger transport authorities outside London and in 1999, published a report looking at their effectiveness – *All Aboard: Support for Local Transport and Travel*. It has not previously been responsible for transport bodies in London, so the following analysis draws on work the Commission has carried out to prepare for its role auditing and inspecting Transport for London (TfL). It focuses on TfL’s current responsibilities and thus does not cover the tube or surface rail.

London issues

Londoners see transport as one of the biggest problems facing the city: in a 1999 survey carried out by MORI a majority of Londoners said that their biggest concern was either traffic congestion or public transport. Results from the GLA’s survey ‘How does London work for you?’, analysed by MORI, reinforced transport as a major issue for people in the capital.

The Mayor has already indicated that transport is his top priority; his election manifesto promised a package of measures to improve public transport and reduce car use.

There are significant differences in travel patterns in central, inner and outer London. These differing patterns result from socio-economic factors and differing levels of car ownership as well as the public transport infrastructure.

The Mayor published his transport strategy in July 2001 and implementation is now starting.

Improving bus services can reduce pressure on other parts of the transport system in the short and medium term – increases in the capacity of rail and tube services and any new light rail developments will take time and require significant capital investment.

Bus reliability increased in the early 1990s but declined by the end of the decade, with about 69 per cent of timetabled services running on time. Fifty-two per cent of passengers were satisfied with service reliability.
Transport for London’s best value performance plan indicated that in 1999/2000 the average waiting time for frequent services was 6.7 minutes compared to the scheduled waiting time of 4.6 minutes. On less frequent services in 1999/2000 67.8 per cent of services departed on time (no more than 2 minutes early or 5 minutes late).

The transport strategy states that one of the Mayor’s top ten priorities is ‘Making radical improvements to bus services across London, including increasing the bus system’s capacity, improving reliability and increasing the frequency of services’ with the aim of 40 per cent more bus passengers across London, alongside a similar level of increase in bus capacity.

The issue of how London Underground will be funded is still being determined by central government and should be decided in 2002.

**Issues for consideration**

How will TfL take account of the Mayor’s other strategies, for example economic development, in its 2001/02 plans?

How can transport policies aimed at combating social exclusion (which largely affects people who do not own cars) be developed alongside policies aimed at reducing car use?

How can TfL work with the crime and disorder partnerships to reduce fear of crime among transport users and those who do not use transport because of this fear?

Should the basis of published performance information about public transport be amended to ensure that it reflects passengers’ experience of using services as closely as possible?

**Audit Commission’s contribution**

The Commission’s appointed auditors (KPMG) have completed the first year’s audit of TfL’s BVPP and are currently undertaking the work on the body’s accounts, financial controls and corporate governance systems.

District Audit has contributed to a review of Dial-a-Ride and Taxicard schemes for the GLA and the London boroughs recommending how these services could be improved.

The Commission’s best value inspectorate will be inspecting TfL’s best value work as it develops. Inspections will focus on the services’ quality and cost effectiveness and on the likelihood that they will improve. The next 12 months will include inspections taking place on ‘Equalities for all’ and consultation (inspections covering all the GLA bodies) and dial-a-ride.

Both the auditor and the best value inspectorate will also be happy to offer advice relating to TfL’s best value performance plan and review programme.
4. The environment

Audit Commission portfolio of work

In 2000/01 the Commission published a report on performance indicators covering local authority environmental services, over 50 inspection reports relating to environmental issues (15 in London), and the first in the series of Learning from Inspection products, on waste management.

London issues

In March 2001 the Commission published a report on performance indicators covering local authority environmental services.

The report highlighted nine indicators – on refuse collection, recycling, street cleaning, streetlights, pedestrian crossing adaptations for people with disabilities, rights of way, planning applications, environmental health inspections of high risk premises and the provision of public conveniences.

It indicated a positive picture of general improvement in local government environmental services, though there are significant variations in performance.

The average for London was below the national average on most of the indicators, but better than those for other metropolitan councils on all bar two.

London was the best performer on average in three areas:

- the average percentage of streetlights not working in 1999/2000 in London (0.9 compared with a national average of 1.14). 2000/01 data indicates this is still true (London average 0.8 compared with a national average of 1.10);
- London had some of the highest recycling rates in England. The average percentage of household waste recycled in 1999/2000 by collection and disposal authorities in London was 15.4 per cent compared with a average for relevant authorities of 12.3 per cent. Performance had improved by almost two-thirds in the last five years [TABLE 3, overleaf], and
- the percentage of footpaths and rights of ways that were easy to use (78.8 per cent in outer London compared to 75.3 per cent nationally).

London was the worst performer on average in two areas:

- missed bins per 100,000 collections during May to September, though performance did improve. 2000/2001 data however suggests that London performance has deteriorated over the last 12 months [TABLE 4, overleaf]; and
- householder planning applications decided within eight weeks (1999/2000 London average 61.6 per cent compared to national average of 74.6 per cent). London performance is also poorer for the new 2000/01 indicator that covers all planning applications (London average 57 per cent compared to the national average of 60 per cent that has also declined).

The report highlighted significant variations in London [EXHIBITS 3-4, overleaf]. Examples include:

- Waltham Forest recorded almost 7,000 missed bins per 100,000 collections between May and September 1999 compared with Havering, who recorded just 17 [EXHIBIT 4, overleaf].
- Ealing, which had 13 times more streetlights not working then Brent [EXHIBIT 5, overleaf].
- Harrow had adapted all its pedestrian crossings to have facilities for people with disabilities, while Brent had adapted just 19 per cent.

The Mayor has to produce eight statutory strategies, each of which have or will be subject to both environmental and health impact assessments.

All the strategies and the subsequent implementation will affect Londoners’ quality of life. Transport and economic development have been published; draft strategies on waste, air quality and biodiversity have been developed.
The Mayor has recently produced a draft municipal waste management strategy that includes the statement that ‘the strategy is a visionary strategy, which sets out clearly where we want to be in 2020, and also an operational strategy covering the period up to 2005’. Clearly, most local authorities will not be thinking on the scale needed for London, but a longer-term vision is key to planning future developments and improvements to waste services.

The success of the strategies will depend largely on partnership working between the GLA, the four functional bodies and the London boroughs.

Learning from inspections

The Commission has published over 50 best value inspection reports on environment related topics, 15 of which have been in London.

Topics included street cleansing, parks and open spaces and development control.

Only three services inspected in London were considered unlikely to improve.

The Commission is keen to ensure lessons are learnt from inspections and is producing a series of publications entitled Best Value Learning from Inspection, the first of which was on waste management. A strategic challenge paper was published in July 2001 which contained several key messages:

- Many local authorities are finding it difficult to meet the Government’s recycling targets; those that

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TABLE 3

The percentage of household waste recycled (collection and disposal authorities)

TABLE 4

The number of household waste collections missed per 100,000 collections
EXHIBIT 4

The number of household waste collections that were missed per 100,000 collections during May to September 1999/2000

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**Key**

❋ Doubts expressed about the council’s arrangements for producing the required information.

# Required information not provided by the council.
EXHIBIT 5

The percentage of streetlights not working as planned (1999/2000)

Key

❋ Doubts expressed about the council's arrangements for producing the required information.

# Required information not provided by the council.
are succeeding are taking hard decisions about how to improve their traditional services.

- Recycling waste is only part of the story; efforts to reduce the amount of waste generated are equally, if not more, important.
- Authorities have to meet short-term statutory targets while recognising the need to develop and deliver longer-term, sustainable waste management policies.
- Closer partnership working between waste collection and waste disposal authorities, and with other key stakeholders including the private sector, is key to delivering both statutory targets and sustainable waste management.

In October 2001 the Commission published a companion handbook entitled *Waste Management – Guidance for Improving Services.*

**Audit Commission’s contribution**

The Commission is co-ordinating an exercise of testing quality of life indicators during 2001/02 with around 100 volunteer local authorities (12 so far in London; the GLA will also be contributing).

The Commission has other responsibilities in relation to sustainability and quality of life indicators:

- External auditors have a role in assessing the current environmental indicators and local authority best value indicators.
- Best value inspectors will want to be sure that local authorities are taking seriously their new statutory duty to produce a community strategy with their partners.

Councils’ best value reviews of environmental and transport services will continue to be inspected, and the Commission will feed back key messages that result from this work. This will include future learning from inspection reports on street scene and planning.

### 5. Economic development and regeneration

**Audit Commission’s portfolio of work**

In 1999 the Commission published *A Life’s Work – Local Authorities, Economic Development and Regeneration.*

**London context**

In the last 15 years London’s population has grown from 6.8 million to 7.4 million. Projections suggest further significant growth in the coming years.

Twenty of the 88 most deprived local authorities in the UK are in London. The city has the highest rates of child poverty in England (43 per cent of children live in households below the relative poverty threshold when housing costs are taken into account).

London’s GDP (£180 billion) represents around 20 per cent of the UK’s output. The city’s economy has tended to grow more quickly than the rest of the UK in recent years.

Over 80 per cent of the capital’s economy is in the service sector. Twenty per cent of the city’s workforce are employed in the creative industries.

The workforce is highly productive.

Unemployment in inner London is twice the national average. London has higher levels of long term unemployment than the rest of the UK.

London attracts high levels of inward investment.

London has received around 30 million visitors a year.

**London issues**

There is an extensive economic development and regeneration agenda for the London Development Agency (LDA) to tackle [EXHIBIT 6, overleaf]. There is also an exceptionally high level of change in the make up and organisation of public sector institutions engaged in economic development and regeneration work [EXHIBIT 7, overleaf].
## London's extensive economic development and regeneration agenda

<table>
<thead>
<tr>
<th>Issues</th>
<th>Challenges for GLA and LDA</th>
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<tbody>
<tr>
<td><strong>Competitiveness</strong></td>
<td>Improving London’s attractiveness as a place to live and work.</td>
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<tr>
<td>The international mobility of business and increased competition for domestic and overseas markets.</td>
<td>Ensuring that the ‘public infrastructure’ – e.g., transport, education and planning frameworks used by London businesses matches that of the best in the world.</td>
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<tr>
<td>The need to support the growth of small and medium sized businesses and start-ups.</td>
<td>Working with public and private sector organisations to ensure the London economy remains dynamic and responsive to change, e.g., through working with financial institutions, business clusters, key sectors and supply chains, and promoting lifelong learning.</td>
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<tr>
<td>The need to improve SMEs’ access to finance and venture capital.</td>
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<tr>
<td><strong>Environmental sustainability</strong></td>
<td>Ensuring that the objectives, and the implementation of policies on land-use, transport and the environment manage effectively the impact of industrial and demographic change.</td>
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<tr>
<td>Spatial implications of industrial change and the changes in the make-up of households.</td>
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<tr>
<td><strong>Social exclusion</strong></td>
<td>Improving access to work for those who are out of work by addressing issues including transport, vocational training, life-skills and care responsibilities.</td>
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<tr>
<td>Geographic concentration of unemployment and poverty, and difficulties building stable communities with transient populations.</td>
<td>Reducing disparities in local service provision between areas, to reduce incentives for those in work to leave deprived areas.</td>
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<tr>
<td>Lack of affordable housing.</td>
<td>Working with employers to target job opportunities on socially excluded groups.</td>
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<td>Post code discrimination.</td>
<td>Ensuring those who are economically inactive receive their full benefit entitlements.</td>
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<tr>
<td>Refugee and asylum seekers.</td>
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<tr>
<td><strong>Equality of opportunity</strong></td>
<td>Promoting the know-how of how to manage diversity in the workforce.</td>
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<tr>
<td>Lower employment rates, and lower income levels for women, minority communities, ethnic minorities, people with disabilities and older workers.</td>
<td>Promoting business start-ups by groups facing discrimination.</td>
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<tr>
<td>Poor access to services.</td>
<td>Promoting equal access policies among public service providers.</td>
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This level of institutional change carries inherent risks. Reorganisation on this scale can adversely affect performance, because management time is spent on institutional arrangements, rather than service delivery.

However, these changes also present opportunities: new organisations will be able to end under-performing projects that they have inherited and re-allocate the resources.

The Commission’s previous research on effective economic development concluded that:

- different agencies duplicate one another’s efforts;
- mechanisms for co-ordinating policy locally tend to be weak: organisations operate on different boundaries, have different funding regimes and are often sponsored or controlled by different government departments;
- the number of agencies involved means considerable time and effort goes into co-ordination, partnership building and so on; and
- the result is that agencies’ combined impact is less than it might be.

The new London arrangements will not automatically overcome many of the difficulties associated with the previous ones. However, the LDA as a London-wide,
EXHIBIT 7
The changing jigsaw of organisations responsible for promoting economic development and regeneration in London

London Development Agency (LDA) delivers the Mayor’s strategy, and is responsible for managing the single regeneration budget (SRB), the bulk of which is already committed; English Partnerships funds; Skills Development Fund; Competitiveness Development Fund; the inward investment contract the London Tourist Board Grant. From April 2002, the LDA’s budget will be allocated as a single pot.

Government Office for London (GOL) retains responsibility for significant funds eg, the New Deal for Communities, plus management of the main European Funding Programmes.

Five local learning and skills councils (LSCs) were set up in London in April 2001 following the abolition of the training and enterprise councils. The London LSCs are part of a national structure with a central LSC accountable to the Department for Education and Skills. LSCs will co-ordinate funding for further education and workforce development.

The Small Business Service (SBS) has let one Small Business Service contract for London – Business Link for London – that began operating in April 2001. There are five delivery areas, based on the LSC boundaries. The SBS may reconfigure the way services are delivered, for example by shifting away from person to person to electronic delivery.
Eight lifelong learning partnerships in London will seek to improve planning and coherence of local post-16 learning; they will liaise with local LSCs but have different boundaries.

Five Connexions partnerships, based on the LSC boundaries, will deliver support to 13-19 year-olds in London, as they make the transition from school to work. London North (Barnet, Enfield, Haringey and Waltham Forest) and London South (Kingston upon Thames, Merton, Sutton, Croydon, Bromley and Richmond upon Thames) were the first two partnerships to be set up in April 2001. The other three partnerships are to start working in April 2002. These are designed to bring together a range of services targeted at youth support and guidance locally, for example relevant parts of local authority youth services, the Educational Welfare Service, care leaver advisers and Youth Offending Teams.

The Employment Service currently manages New Deal contracts for services to unemployed people. These operate to Employment Service boundaries, which are different from the LSC, London borough and lifelong learning partnership boundaries.

Under the Government’s new Neighbourhood Renewal Strategy, local service providers are being asked to re-organise their approach to regeneration by setting up local strategic partnerships (LSPs). These are non-statutory, non-executive organisations, which bring together the key public sector service providers along with private, business, community and voluntary sectors. The responsibilities will be to:

- Prepare and implement a community strategy for the area (LSPs should reflect local authority boundaries);
- develop and deliver a local neighbourhood renewal strategy to tackle deprivation;
- co-ordinate local plans, partnerships and initiatives and provide a forum for local councils, the police, health services, central government and other agencies to work to meet community needs; and
- work with local councils to develop local public service agreements.

In London 18 local authorities are eligible for additional resources via the Neighbourhood Renewal Fund on account of containing wards within the 10 per cent most deprived in England.

strategic agency could have a critical strategy-setting, leadership and co-ordination role.

The LDA has now developed, consulted about and produced the Mayor’s economic development strategy (published in May 2001).

The strategy’s four key themes are

- economic growth;
- knowledge and learning;
- diversity, inclusion, and renewal; and
- sustainable development.

Issues for consideration

How can the LDA best fill the ‘vacuum’ that is likely to arise as a result of the re-organisation of so many players in the economic development field and provide London-wide leadership?

How can the resources the LDA has inherited be re-allocated to allow room for new policy priorities to be implemented?

How can best value be used effectively by the LDA and GLA as a tool to deliver economic development across London?

What performance targets will the Mayor, central government and the LDA use to monitor the success of the economic development strategy? How will these
compare with those used by the other regional development agencies in England?

What value will international comparisons be, given the unique nature of London and its relationship to other world cities?

How will the LDA relate to the local strategic partnerships being set up by the London boroughs?

How can London boroughs and health services contribute to sustainability, neighbourhood renewal and quality of life goals?

How can London boroughs’ local strategic partnerships and community strategies contribute to the economic and social renewal agenda?

**Audit Commission’s contribution**

Now that the LDA is up and running, the Commission’s best value inspectorate will be inspecting its work and giving advice and support on use of best value. Inspections will focus on the quality and cost-effectiveness of activities and on the likelihood that they will improve.

Forthcoming best value reviews within the next 12 months include those on area intervention, procurement and the GLA family inspections on consultation and equalities.

The LDA’s best value performance plan has received a full audit and received no qualifications.

Sustainable development is one of the four key objectives of the LDA economic strategy – the Commission has responsibilities in relation to sustainability and quality of life indicators:

- External auditors have a role in assessing the current environmental indicators and local authority best value indicators.
- Best value inspectors will want to be sure local authorities are taking seriously their new statutory duty to produce a community strategy with their partners.

The Commission and IDeA have developed a library of local PIs which can be viewed on www.local-pi-library.gov.uk. These can be adopted on a voluntary basis and provide a source of ready made performance indicators relevant to economic development. There are sets that can be used to assess the success of the economic development programmes within the capital. These include planning and development, street scene and highways and transport.

A new study is being undertaken on neighbourhood renewal.

Both the auditor and the best value inspectorate will also be happy to offer advice relating to the LDA’s best value performance plan and review programme.

The Commission is keen to work with the LDA to minimise its regulatory burden and to help where appropriate on how best value should be applied to a small strategic body. In the short term, the LDA’s auditors expect to concentrate on financial management and systems.
6. To find out more

All Aboard: Support for Local Transport and Travel in Urban Areas Outside London,


Individual best value reports are available on the website (www.bestvalueinspections.gov.uk).